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FOR IMMEDIATE RELEASE
Thursday October 27, 2005

FIRST-EVER INSURANCE SUMMIT ON CLIMATE RISKS AND OPPORTUNITIES HELD IN CONNECTICUT

*Treasurer, Department of Environmental Protection and Insurance Department
Convene Historic Meeting for Insurers and Industry Leaders to Discuss
How Insurers Can Assess and Prepare for Financial Impact of Climate Change*

(Hartford) – Insurance leaders, policymakers and scientific experts gather in Connecticut Thursday to tackle a rapidly emerging issue affecting many segments of business and industry: the economic ramifications of climate change and the risks and opportunities presented by it.

The landmark session, *Connecticut Global Climate Change Summit: Business Risks and Opportunities for Connecticut's Insurance Industry*, is the first of its kind in the United States, and brings together nearly 100 senior executives from insurance companies and regulatory agencies to explore:

- how climate change will affect the insurance industry's underwriting, asset management and facility operations,
- how the industry can mitigate and manage their risks, and
- how regulatory agencies and insurance companies can work together to address these issues.

Convened by Connecticut Treasurer Denise L. Nappier, Department of Environmental Protection Commissioner Gina McCarthy, and Department of Insurance Commissioner Susan F. Cogswell, the Summit was developed to initiate discussion and develop strategies to effectively respond to the financial challenges and opportunities presented to insurers by climate change.

In addition to insurance industry leaders, the Summit features a presentation by U.S. Department of Energy and Lawrence Berkeley National Laboratory Professor Evan Mills, Ph.D., co-author of a recently released report titled, *Availability and Affordability of Insurance Under Climate Change: A Growing Challenge for the U.S.* The report was originally released in September, but was revised and re-released this week to reflect the recent events surrounding Hurricane Katrina and the impact on the insurance industry.

"The report makes clear that insurers face a new era of risk from rising weather-related losses and that new strategies and approaches are needed to face this challenge, especially as climate change impacts become more pronounced," said Dr. Mills.

Industry speakers include Jacques Dubois, Chairman of Swiss Re North America, Joe Boren, Chairman and CEO of AIG Environmental, David Johnson, CFO of the Hartford Financial Services Group, and Dan Isaac, Senior Vice President of Conning Asset Management.

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"In view of the fact that the majority of history's most damaging Hurricanes, in terms of insured losses, have occurred in only the past several months, it is clear the insurance industry and society need to gear-up for a newly frequent phenomenon, the mega-disaster," said Joseph Boren, who spoke at the Summit about underwriting with an eye toward climate change risks, as well as emerging products and services that could capture opportunities presented by global warming.

"The Hartford is eager to join the discussion of climate change at Connecticut's seminar, both as it relates to the insurance industry and what we as a company have been doing to reduce emissions," said David Johnson. "We have participated in the EPA's Energy Star program for many years and take pride that our Southington headquarters is one of only six buildings in Connecticut to receive the agency's Energy Star label. The results achieved through trimming hours of air conditioning, installing advanced carbon dioxide sensors and adding insulation have been well worth the effort. We've come a long way, but we're not done yet, and we look forward to sharing what we've learned."

Treasurer Nappier and Commissioners Cogswell and McCarthy are highlighting Connecticut's efforts to integrate climate change issues in their respective agencies, including implementing environmental investment criteria and proxy voting by the state pension plan, expressing concerns about insurers' real climate risks/liabilities and available reserves, making state facilities energy-efficient, and moving forward with state initiatives such as the Regional Greenhouse Gas Initiative (RGGI).

"Corporate and financial leaders need to look strategically at climate change and how it will impact the long-term health of businesses, industries and our economy," said Treasurer Nappier.

"Institutional investors are interested in sound, long-term value, but our ability to make solid investment decisions depends on a thorough evaluation and full disclosure of risk." Nappier said investors can also benefit from the enormous opportunities that are arising as greenhouse gas limits are enacted more widely around the world. "The risks are real, but so too are the opportunities," she said.

"Once again, Connecticut is taking the lead on addressing an issue of local, regional, national, and in this case, global importance by bringing together the leaders in the insurance industry to discuss not only the risks but also the opportunities that global climate change will present," said Department of Environmental Protection (DEP) Commissioner Gina McCarthy. "Connecticut is aggressively pursuing a wide range of actions to address climate change and many important initiatives are underway. Today marks the first time insurance industry leaders and state officials have come together to discuss this topic of mutual concern and the dialogue opened will help us plan for the future in a real and tangible way."

The *Connecticut Global Climate Change Summit: Business Risks and Opportunities for Connecticut's Insurance Industry*, is the first in a series of seminars for the financial services industry in Connecticut, and was held at the offices of the Department of Environmental Protection in Hartford. Future seminars will address climate change with respect to asset management, venture capital, and hedge fund financial sectors.

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